



It's not a choice...

Employees may have reasons they would prefer not to be on a payroll. However, if you run a business, you have a legal responsibility to report all of your employees —and all of their wages—to the proper government agencies.

It's the law!

Ohio Revised Code (ORC) 4141.01 defines employment and its exclusions for unemployment tax purposes. If you still have questions after reading this brochure and/or the ORC, please call (614) 466-2319.

Employee or Independent Contractor?



It's not a choice.
It's the law.



Mike DeWine, Governor State of Ohio
Matt Damschroder, Director
Ohio Department of Job and Family Services
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This institution is an equal opportunity provider and employer.



Key Signs of Employment

If at least some of these conditions exist, the worker is probably an employee, not a contractor:

- The worker provides a service that is essential to your business.
- You or one of your employees directs the worker's activities.
- You provide tools, supplies, software or equipment that the worker needs to do the job.
- You pay the worker an hourly wage.
- The work is performed at your place of business or a location that you designate.

For More Information

Call: (614) 466-2319

Email: UC_Compliance@jfs.ohio.gov

Visit: jfs.ohio.gov/ouc

Employees

Employees provide services that are an essential part of your business. You determine how much and when they are paid. You may give them a place to work and may provide the vehicle, computer, software, tools, equipment or supplies needed to perform those services. Employees represent your business.

You determine how the work is performed. You have the right to direct their actions and provide feedback to them regarding their performance. While you, or another employee, may not directly supervise them at all times, they do their job the way that you have directed them.

One exception: Workers employed by a temporary agency. Although you may direct their work, they are paid by the temporary agency.



Independent Contractors

True independent contractors may provide services for your company, but they operate their own businesses. If some of the following conditions exist, the worker may be an independent contractor:

- The worker sets the pay rate.
- The worker bills your business.
- You pay by the project, not by the hour, or on a regular schedule.
- The worker carries liability insurance.
- The worker sets the schedule.
- The work is performed at the worker's place of business.
- The worker uses his or her own equipment, software, tools, computers, supplies, etc.
- The worker was already trained; you do not have to train them.
- If the work requires a license, the worker maintains the license, not you or your business.
- The worker benefits from performance efficiencies, not you or your business.

Just because someone calls himself a contractor doesn't make him one. Issuance of a 1099, in lieu of a W-2, or even an independent contractor agreement does not always constitute independence.

